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TO RUEHC/SECSTATE WASHDC PRIORITY 9169

INFO RUEHAC/AMEMBASSY ASUNCION PRIORITY 3742

RUEHBR/AMEMBASSY BRASILIA PRIORITY 0321

RUEHBU/AMEMBASSY BUENOS AIRES PRIORITY 3495

RUEHCV/AMEMBASSY CARACAS PRIORITY 0804

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RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 9139

RUEAWJF/DEPT OF JUSTICE WASHDC PRIORITY

RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

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RHMFSS/CDR USSOUTHCOM MIAMI FL PRIORITY

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C O N F I D E N T I A L SECTION 01 OF 02 SAO PAULO 000273

SIPDIS

STATE FOR WHA/BSC,
NSC FOR ROSSELLO

E.O. 12958: DECL: 03/14/2018

TAGS: PREL PGOV PINR EFIN ETRD ECON BR

SUBJECT: GOVERNOR JOSE SERRA STRONGLY POSITIONED FOR 2010,
SAYS FORMER PRESIDENT CARDOSO

REF: A. SAOPAULO090

¶B. 08SAOPAULO679

¶C. 08SAOPAULO581

Classified By: Consul General Thomas White; Reasons 1.4 (b) and (d).

¶1. (C) Summary: Sao Paulo Governor and leading candidate for the PSDB nomination Jose Serra will likely win Brazil's presidency in 2010, Brazil President Fernando Henrique Cardoso told the Ambassador on April 23. Serra's academic background, his strong ethic of public service and the Governor's "rags-to-riches" success story will all help him during the election. Serra rival Aecio Neves would be an excellent VP candidate, according to Cardoso, but now is not Neves's time. Serra's likely rival, Dilma Rousseff, is saddled with a series of problems, including lack of campaign experience, a sinking economy and her own health issues. For her to win, President Lula would have to transfer to her his considerable popularity, something he could not do for the PT candidate in the 2008 Sao Paulo mayoral race (Ref B). End Summary.

Serra's Abilities, Rags-to-Riches Story Have Appeal

¶2. (C) Former Brazil President Fernando Henrique Cardoso profiled 2010 presidential candidate and Sao Paulo Governor Jose Serra in an April 23 meeting with the Ambassador. Cardoso characterized Serra as bright and worldly, citing his PhD from Cornell University. Serra "does not fear people, is persistent, and has a high sense of purpose," said Cardoso. In his view, Serra is a dedicated public servant, who initially entered politics to help the public good. He is the son of poor, Italian immigrants, who sold fruit on the street, and a product of the public school system. Because of his tough "rags-to-riches" childhood, Cardoso believes Serra has an exceptional capacity to understand people. (Note: See Ref A for further biographical information about Serra. End Note.)

¶4. (C) Serra's plebian background mirrors that of current President Lula, and in Cardoso's view, will help propel him to victory in 2010 election. Cardoso told the Ambassador that Serra is popular in the Northeast, with approval levels double that of his nearest competitor, Ciro Gomes. Cardoso

does not think PT nominee Dilma Rousseff has enough campaign experience to win the presidential election. Cardoso characterized the electorate as "arbitrary in its behavior" and does not think Lula can transfer votes successfully to Rousseff. Cardoso stated that he believes the majority of Lula's supporters will actually vote for Serra. (Note: Reports surfaced after the Ambassador's conversation with Cardoso of Dilma undertaking a four-month chemotherapy program after having a cancerous tumor removed. Local commentators have stated that this could hurt her prospects for the 2010 presidential race. Several newspapers have already begun speculating that the PT might need to find another candidate. End Note.)

Minas Gerais Governor Neves: Not This Time

¶5. (C) Cardoso sees Minas Gerais Governor Aecio Neves as a strong choice for vice-president. He told the Ambassador, "It is not his (Neves) time to be president." Cardoso does believe, however, that Neves will be president some day. Regarding Serra's foreign policy advisors, he cited former Development Minister Sergio Amaral and former Foreign Minister Celso Lafer (a career diplomat) as his two closest confidants.

Serra Strongly Positioned for 2010

¶6. (C) Comment: Since Cardoso and Serra are products of the same political party (PSDB), Cardoso's positive profile of Serra is not surprising. At the same time, his analysis

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appears sound. Serra's rags to riches story, the challenge Lula faces in attempting to transfer his popularity to Dilma Rousseff (something Lula could not do in the November 2008 Sao Paulo mayoral race; see Ref B), the possible drag on both the PT and Lula's popularity caused by the spreading economic crisis (Ref C), and Dilma's questionable health all set a positive stage for Serra for 2010. Though a year and a half is an eternity in politics, Dilma faces a tough challenge. A March poll showed that, were the election to be held today, Serra would beat the PT's Dilma Rousseff by nearly 30 points. End Comment.

¶7. (U) This cable was coordinated with and cleared by Embassy Brasilia.
WHITE